

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



March 29, 2001

ALL-COUNTY LETTER NO. 01-25

TO: ALL COUNTY WELFARE DIRECTORS
ALL IHSS PROGRAM MANAGERS

REASON FOR THIS TRANSMITTAL

- ☒ State Law Change
☐ Federal Law or Regulation Change
☐ Court Order
☐ Clarification Requested by One or More Counties
☐ Initiated by CDSS

SUBJECT: IMPLEMENTATION OF THE NEW STATEWIDE MINIMUM WAGE AND THE THREE- PERCENT INDIVIDUAL PROVIDER (IP) WAGE INCREASE, WHICH IMPACTS IN-HOME SUPPORTIVE SERVICE (IHSS) PROVIDERS EFFECTIVE JANUARY 1, 2001

The purpose of this letter is to inform counties of the California Industrial Welfare Commission (IWC) decision to raise the statewide minimum wage by \$1.00 to \$6.75 by January 2002. The increase will be implemented in two increments of \$.50 each. Also, this letter provides clarification of the implementation of the three-percent wage increase for Non-Public Authority counties according to Assembly Bill (AB) 2876 (Chapter 108, Statutes of 2000).

MINIMUM WAGE INCREASE

On October 23, 2000 the IWC amended the General Minimum Wage Order to require an increase in the statewide minimum wage and eliminate the minimum wage exemption for certain job classifications that included personal attendants in private homes other than babysitters. A copy of the new wage order, MW-2001, is attached. The statewide minimum wage will be increased by fifty (50) cents for each of the next two years as follows:

- On and after January 1, 2001 the minimum wage shall be no less than \$6.25 per hour (an increase of \$.50).
- On and after January 1, 2002 the minimum wage shall be no less than \$6.75 per hour (an increase of \$.50).

State Responsibility

- The State will participate in the new minimum wage at its normal cost-sharing ratio for IHSS services of 65% State funds and 35% County funds of the nonfederal costs.

- Providers who are already receiving more than \$6.25 per hour will not receive an additional increase in wages as a result of this IWC action. A non-public authority county may choose, however, to implement a wage increase under AB 2876 (Chapter 108, Statutes of 2000) on January 1, 2001. Please refer to the instructions listed below regarding the implementation of AB 2876 wage increase.

County Responsibility

The IWC action is mandatory. Implementation of the new minimum wage is non-discretionary. Individual Providers (IP) will be paid at no less than the minimum wage level.

CMIPS

- The Case Management, Information, and Payrolling System (CMIPS) was programmed to reflect the new minimum wage level on January 1, 2001 and January 1, 2002 as the default wages.
- If a county has notified the Department of its decision to pay an Individual Provider wage increase greater than the new minimum wage prior to January 1, 2001, that wage has been programmed into CMIPS as the default wage for that county.
- Counties should not enter any wage increase on CMIPS. CMIPS instructions for counties to change their Individual Provider wage levels are included in this letter.

THREE PERCENT WAGE INCREASE

Counties were informed in All-County Information Notice No. I-92-00 of the State participation in a wage increase of up to three percent for IP's of non-public authority/non-profit consortium counties per AB 2876. The State participation is effective January 1, 2001. The normal sharing ratios for this increase remain in effect, 65% state funds and 35% county funds of the non-federal costs. This means that the State will participate at the normal sharing levels for an IP wage of up to \$6.44 per hour plus employer taxes, as of January 1, 2001. In addition, if a county currently has an IP wage higher than the new minimum wage, plus the three percent increase, the state will only participate in that wage up to \$6.44. Any wage cost above \$6.44 will be county only funds until any additional increases in the statewide minimum wage occur or other State budget authority is provided for increased State funding for IP wages. Federal Medicaid (Title XIX) matching funds are available, with the approval of the Department of Health Services, up to 150% of the State minimum wage according to the Title XIX State Plan Amendment for PCSP. In order to implement a wage increase under AB 2876 a non-public authority county needs to do the following:

1. Submit written notification to increase the county's IP wage rate to:

Alan Stelmack, Chief
California Department of Social Services
Adult Programs Branch
744 P Street, M.S. 19-96
Sacramento, California 95814

2. The wage increase notification must include the total rate, in dollars and cents, and the effective date.
3. Please be aware that we need 30 days to reflect and pay the new rate via CMIPS.

CONTRACTS

IHSS contractors, with existing contracts, that provide an entry-level wage currently below the new minimum wage will need to determine how the new wage order affects their employees. This will also be required for the minimum wage increase that will take effect on January 1, 2002. Counties that currently have contract providers are: Butte, Nevada, Riverside, San Diego, San Francisco, San Joaquin, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Tehama, and Ventura.

Counties negotiating contract renewals for an additional year should consider the impact of the new minimum wage order. Especially, if the contract currently provides a wage with one or more steps below the new minimum wage. The contract amendment should include the following:

- Wage scale
- Line item budget
- Budget narrative (clearly displaying the calculations justifying the cost impact, i.e., composite wage rate)

Counties should use the current process of sending a written notice for the State to program CMIPS to reflect any new contract rate. The notification should include the effective date of the rate and any increases or decreases in service delivery hours.

CMIPS

Non-Public Authority IP Wages

A notice was issued on all IP timesheets printed between December 1, 2000 and December 31, 2000 that the minimum wage will increase to \$6.25 per hour effective January 1, 2001. The notice appeared on all timesheets printed between December 15, 2000 and December 31, 2000.

Turnaround Documents

Both recipient and provider turnaround documents (TADs) have been automated with a message on top which reads "minimum wage increase."

Exceptions Reports

Some recipient and provider cases will not be automated. Such cases will be identified on exception reports. The most likely cases will be those cases in "L" status or cases with an overdue assessment, i.e., cases with an end date in Field ZZ4 of December 30, 2000, or earlier.

When the Social Service Worker has completed a reassessment and entered a new end date in field ZZ4, CMIPS will recalculate the case record and generate both a correct TAD and NOA, if applicable.

It may be necessary to also update the provider's file in those cases. It may also be necessary to generate a supplemental warrant.

TAD/NOA Printing

All TADs will be printed by Electronic Data Systems (EDS) and mailed to the counties. All NOAs will be printed at the county sites and mailed by the county to the recipient. The only NOA printing exceptions are for those counties for whom EDS normally prints and mails NOAs.

Questions regarding CMIPS procedures should be addressed to Klint Donaldson at (916) 229-4013 or Cherilyn Price at (916) 229-4039. Questions regarding the new minimum wage or the three-percent increase should be addressed to Ardora McCalley of the Adult Programs Fiscal and Administrative Unit at (916) 229-4044 or your In-Home Supportive Services/Personal Care Services Program Operations Analyst at (916) 229-4000.

Sincerely,

Original Signed By
Donna L. Mandelstam on 3/29/01

DONNA L. MANDELSTAM
Deputy Director
Disability and Adult Programs Division

Attachment

Amends General
Minimum Wage Order
and IWC Industry and
Occupation Orders

Please Post Next to Your IWC Industry or Occupation Order

OFFICIAL NOTICE

California Minimum Wage

MW-2001

Minimum Wage - Every employer shall pay to each employee wages not less than the following:

\$6.25
per hour beginning January 1, 2001

\$6.75
per hour beginning January 1, 2002

To employers and representatives of persons working in industries and occupations in the State of California:

SUMMARY OF ACTIONS

TAKE NOTICE that on October 23, 2000, the Industrial Welfare Commission (IWC), having proceeded according to its authority in the Labor Code and Constitution of California, Article 14, § 1, amended Sections 1, 2, 3, and 5 of the General Minimum Wage Order, MW-98. Section 4, Separability, has not been changed. The IWC adopted increases to the minimum wage and to meals and lodging credits in this general minimum wage order and in all of the IWC's industry and occupation orders. The IWC also repealed and/or amended the following non-statutory full and partial exemptions from the minimum wage for certain employees that are contained in this order as well as in its industry and occupation orders: student nurses, professional actors, full-time carnival ride operators, employees of the State or local governments and any political subdivision thereof, personal attendants in private homes except for persons under the age of eighteen who are employed as baby sitters for a minor child of the employer in the employer's home, and minors paid not less than 85% of the minimum wage rounded to the nearest nickel. The present partial exemption for learners was amended to include minors. The IWC took these actions after holding investigative public hearings as required by Labor Code § 1178, considering the report of the Wage Board on the minimum wage selected pursuant to Labor Code § 1178.5, and subsequently holding public hearings according to the requirements of Labor Code § 1181.

This summary must be made available to employees in accordance with the IWC's wage orders. Copies of the full text of the amended wage orders may be obtained at www.dir.ca.gov/IWC or by mail from the IWC.

1. APPLICABILITY

The provisions of this Order shall not apply to outside salespersons and individuals who are the parent, spouse, or children of the employer previously contained in this Order and the IWC's industry and occupation orders. The IWC has eliminated other exemptions from the minimum wage previously contained in this Order and in sections of the IWC's industry and occupation orders. (See Section 5, Amended Provisions, below.) Exceptions and modifications provided by statute or in Section 1, Applicability, and in other sections of the IWC's industry and occupation orders may be used where any such provisions are enforceable and applicable to the employer.

2. MINIMUM WAGES

Every employer shall pay to each employee wages not less than six dollars and twenty-five cents (\$6.25) per hour for all hours worked, effective January 1, 2001, and not less than six dollars and seventy-five cents (\$6.75) per hour for all hours worked, effective January 1, 2002.

3. MEALS AND LODGING

Meals or lodging may not be credited against the minimum wage without a voluntary written agreement between the employer and the employee. When credit for meals or lodging is used to meet part of the employer's minimum wage obligation, the amounts so credited may not be more than the following:

	Effective January 1, 2001	Effective January 1, 2002
LODGING		
Room occupied alone	\$29.40 per week	\$31.75 per week
Room shared	\$24.25 per week	\$26.20 per week
Apartment - two-thirds (2/3) of the ordinary rental value, and in no event more than: ...	\$352.95 per month	\$381.20 per month
Where a couple are both employed by the employer, two-thirds (2/3) of the ordinary rental value, and in no event more than:	\$522.10 per month	\$583.90 per month
MEALS		
Breakfast	\$2.25	\$2.45
Lunch	\$3.10	\$3.35
Dinner	\$4.15	\$4.50

4. SEPARABILITY

If the application of any provision of this Order, or any section, subsection, subdivision, sentence, clause, phrase, word or portion of this Order should be held invalid, unconstitutional, unauthorized, or prohibited by statute, the remaining provisions thereof shall not be affected thereby, but shall continue to be given full force and effect as if the part so held invalid or unconstitutional had not been included herein.

5. AMENDED PROVISIONS

This Order amends the minimum wage and meals and lodging credits in MW-98, as well as in the IWC's industry and occupation orders. (See Orders 1-15, Secs. 4 and 10; and Order 16, Secs. 4 and 9.) This Order also amends the following other provisions of the IWC's industry and occupation orders to be consistent with the IWC's actions regarding the elimination of certain exemptions from the minimum wage: Order 1, Secs. 1(B) and 4(A)(1) and (2); Order 2, Secs. 1(B) and 4(A)(1) and (2); Order 3, Secs. 1(B) and 4(A)(1) and (2); Order 4, Secs. 1(B) and 4(A)(1) and (2); Order 5, Secs. 1(A) and (C), and 4(A)(1) and (2); Order 6, Secs. 1(B) and 4(A)(1) and (2); Order 7, Secs. 1(B) and 4(A)(1) and (2); Order 8, Secs. 1(B) and 4(A)(1) and (2); Order 9, Secs. 1(B) and 4(A)(1) and (2); Order 10, Secs. 1(B) and (D), and 4(A)(1) and (2); Order 11, Secs. 1(B) and (C) and 4(A)(1) and (2); Order 12, Secs. 1(B) and (C) and 4(A)(1) and (2); Order 13, Secs. 1(B) and 4(A)(1) and (2); Order 14, Secs. 1(B) and 4(A)(1) and (2); Order 15, Secs. 1(B) and 4(A)(1) and (2); and, Order 16, Sec. 1(B). These amendments were adopted on October 23, 2000, in Sacramento.

These Amendments to the Wage Orders shall be in effect as of January 1, 2001.

Questions about enforcement should be directed to the Division of Labor Standards Enforcement. Consult the white pages of your telephone directory under CALIFORNIA, State of, Industrial Relations for the address and telephone number of the office nearest you. The Division has offices in the following cities:akersfield, Eureka, Fresno, Long Beach, Los Angeles, Oakland, Redding, Sacramento, Salinas, San Bernardino, San Diego, San Francisco, San Jose, Santa Ana, Santa Barbara, Santa Rosa, Stockton, and Van Nuys.